153 FERC ¶ 61,328
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Cheryl A. LaFleur, Tony Clark,
and Colette D. Honorable.

Mississippi Power Company Docket No. ES16-2-000

ORDER AUTHORIZING ISSUANCES OF SECURITIES

(Issued December 21, 2015)

1. On October 16, 2015, Mississippi Power Company (Mississippi Power) filed an application pursuant to section 204 of the Federal Power Act (FPA)[1] (Application) seeking Commission authorization to issue various equity and long-term debt securities[2] in an aggregate amount not to exceed \$3.2 billion, and short-term debt securities[3] in an amount not to exceed \$1.5 billion outstanding at any one time. We will grant the authorizations, as discussed below.

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[1] 16 U.S.C. § 824c (2012).

[2] Mississippi Power states that the long-term debt securities will be in the form of senior notes, junior subordinated notes, term loan notes, and tax-exempt bonds or other long-term debt, and the equity securities will be in the form of common stock, preferred stock, depositary preferred stock, and preference stock in any combination thereof. Application at 1.

[3] Mississippi Power states that the short-term debt will be in the form of short-term notes, commercial paper, and revenue anticipation notes. *Id.*

I. Application

A. Background

2. Mississippi Power states that it is a public utility incorporated under the laws of Mississippi that is also admitted to do business in Alabama,[4] and that its parent company is Southern Company (Southern).[5]

3. Mississippi Power states that it is currently undertaking the development of a first-of-its-kind integrated coal gasification combined cycle electric generating facility in Kemper County, Mississippi (Kemper Facility). Mississippi Power asserts that construction of the Kemper Facility is nearing completion and that start-up activities will continue until the plant is placed in service, which it expects will be in the first half of 2016.

4. Mississippi Power states that the certificated cost estimate of the Kemper Facility included in the Mississippi Public Service Commission's (Mississippi Commission) order authorizing the Kemper Facility in 2012 was $2.4 billion, net of certain grants received from the United States Department of Energy (Department of Energy) and excluding any permitted exceptions. Mississippi Power states that it now expects the costs to complete construction and start-up of the Kemper Facility to exceed the Mississippi Commission's approved construction cap of up to $2.88 billion, net of certain grants received from the Department of Energy and excluding any permitted exceptions, with recovery of prudently incurred costs subject to approval by the Mississippi Commission. Mississippi Power states that, as a result of the revisions of the costs estimate, it has recorded tax charges to income for the estimated probable losses on the Kemper Facility of $2.08 billion pre-tax ($1.28 billion after tax), from the fourth quarter 2012 through June 2015.[6]

5. Mississippi Power anticipates that the in-service date of the Kemper Facility will be after April 19, 2016, which will result in additional costs of approximately $25-$30 million per month and will result in the recapture of approximately $234 million in investment tax credits.[7] Mississippi Power states that any extension of the in-service

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[4] *Id.* at 3.

[5] *Id.* at 4-5.

[6] *Id.* at 10-11.

[7] Mississippi Power notes that any cash funding requirements necessary to make the recapture repayment are expected to be provided by Southern. *Id.* at 12.

date beyond March 31, 2016 would also increase the costs for permitted exceptions, which are not subject to the $2.88 billion cost cap established by the Mississippi Commission.[8]

B. Mississippi Power's Request

6. Mississippi Power states that the proceeds from the issuances of the securities for which authorization is sought in the Application will be used in the normal course of business by Mississippi Power to facilitate its activities as a public utility engaged in the generation, transmission and distribution of electricity both for sale to end users in Mississippi and for resale in interstate commerce, including financing electric power system construction, operations and maintenance activities and refinancing certain outstanding securities issued for like purposes. Specifically, Mississippi Power states that it will use the proceeds: (1) to redeem or otherwise retire its outstanding senior notes, junior subordinated notes, term loan notes, obligations in connections with revenue bonds, preference stock and/or preferred stock or other securities or to repay amounts of short-term debt; (2) to pay a portion of its cash requirement to carry on utility operations; and (3) for general corporate purposes, including capital expenditures, such as the construction of the Kemper Facility and the financing of Mississippi Power's liquidity needs such as the payment of taxes, dividends, and fuel costs.[9]

7. Mississippi Power agrees that any debt securities issued pursuant to the Application will be subject to the four restrictions on secured and unsecured debt specified in *Westar Energy Inc*.[10]

1. Equity Securities and Long-Term Debt

8. Mississippi Power seeks Commission approval to issue no-par-value common stock directly to Southern. Mississippi Power states that Southern will not pay less than the appropriate consideration required by applicable Mississippi law, in such amount as determined by Mississippi Power's board of directors. Mississippi Power explains that common stock would be entitled to such dividends as may be legally declared by Mississippi Power's board of directors.[11]

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[8] *Id.* at 11.

[9] *Id.* at 22-23.

[10] 102 FERC ¶ 61,186, at PP 20-21 (2003) (*Westar*).

[11] Application at 5.

9. Mississippi Power proposes to issue shares of preferred stock (including depository shares representing a fractional share of preferred stock) in such series and with such dividend rates, redemption provisions, liquidation preferences, sinking fund provisions, voting rights and other rights, preferences, limitations, and restrictions as may be established at the time of issuance based on market conditions.[12]

10. Mississippi Power seeks Commission approval to issue and sell secured or unsecured long-term debt (Long-Term Debt) in the form of senior or subordinated notes, bonds, debentures, guarantees or other debt instruments, including but not limited to, term loan notes,[13] with one or more commercial lending institutions or Southern.[14]

11. Mississippi Power seeks Commission approval to enter into arrangements with one or more governmental authorities for the issuance and sale from time to time of pollution control revenue bonds for the benefit of Mississippi Power to finance or refinance the costs of certain air or water pollution control, sewage and solid waste disposal facilities at Mississippi Power's generating facilities.[15]

12. Mississippi Power states that preferred stock, Long-Term Debt and tax-exempt bonds may be issued at fixed or floating interest or dividend rates not to exceed, at the time of issuance, a rate that is consistent with similar securities of comparable credit quality and maturities issued by other companies, but in no event will: (1) the interest rate or dividend rate for securities issued at a fixed rate exceed 500 basis points over a U.S. treasury security having a remaining term comparable to the term of such securities; or (2) the interest or dividend rate for securities issued at a floating rate exceed 500 basis points over the one-month, three-month, or six-month London Interbank Offered Rate (LIBOR) as published in The Wall Street Journal. Mississippi Power states that, to reduce overall borrowing costs, the payment of principal and interest on any Long-Term Debt or tax-exempt bonds may be covered by a financial guaranty insurance policy

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[12] *Id.*

[13] Mississippi Power states that a "term loan note" involves a promissory note with a term of more than one year, and that the maturity of any term loan note shall not be greater than seven years from the date of issuance. *Id.* n.2.

[14] *Id.* at 5-6.

[15] *Id.* at 6.

issued by one or more insurers or by one or more letters of credit from one or more commercial lending institutions.[16]

2. Short-Term Debt

13. Mississippi Power requests Commission approval to issue and sell the following: (1) short-term notes;[17] (2) commercial paper to or through dealers; and/or (3) non-negotiable promissory notes issued to public entities for their revenue anticipation notes (collectively, Short-Term Debt). Mississippi Power proposes to effect short-term note borrowing from one or more commercial lending institutions or from Southern or Southern Company Funding Corporation (or any other similar financing entity formed by Southern or any of its affiliates).[18]

14. Mississippi Power states that Short-Term Debt will be evidenced by short-term notes to mature not more than one year after the date of issuance, or "grid" short-term notes, evidencing all outstanding borrowing from each lender to mature not more than one year after the date issuance. Mississippi Power proposes to issue commercial paper to or through dealers in the form of promissory notes with varying maturities not to exceed one year.[19] Mississippi Power also proposes to issue Short-Term Debt in connection with the financing of certain pollution control and sewage and solid waste facilities through the issuance by public entities of their revenue bond anticipation notes with maturities not exceeding one year from the date of issuance. Actual maturities will be determined by market conditions, the effective interest cost and Mississippi Power's anticipated cash flow, including the proceeds of other borrowings, at the time of issuance.[20]

15. Mississippi Power states that Short-Term Debt will be at the prevailing rate at the time of issuance, provided that the interest rate on Short-Term Debt will not exceed the

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[16] *Id.* at 8

[17] Mississippi Power defines a "short term note" as a promissory note with a term of one year or less. *Id.* n.3.

[18] *Id.* at 6.

[19] Mississippi Power states that commercial paper may be issued by Mississippi Power or by Southern Company Funding Corporation (or any other similar financing entity form by Southern or any of its affiliates) on behalf of Mississippi Power. *Id.* n.4.

[20] *Id.* at 6-7.

greater of: (1) 500 basis points over the one-month, three-month, or six-month LIBOR; (2) 500 basis points over the Federal Funds Rate; or (3) 200 basis points over the applicable prime rate.[21]

C. **Requests for Waiver**

16. Mississippi Power requests that the Commission grant waiver of any requirements for competitive bidding or negotiated placement under section 34.2(a) of the Commission's regulations in relation to the securities identified in the Application.[22] Mississippi Power states that (1) the successful placement of the securities may require the selection of specific underwriters, agents, or purchasers who are knowledgeable about Mississippi Power and qualified to be involved in such transactions; (2) depending on the size of the offering, the securities may be issued on a more cost-effective basis directly to institutional investors; (3) all securities will bear interest at rates related to current market conditions; and (4) a cost advantage would not be achieved by imposing such a requirement.[23] Mississippi Power states that it is committed to issuing securities with the best rates and terms for its customers and its shareholders and it believes it has implemented the necessary procedures to analyze the market in order to obtain the best rates at the lower cost available.[24]

II. **Notice of Filing**

17. Notice of the Application was published in the *Federal Register*, 80 Fed. Reg. 63,991 (2015), with interventions and protests due on or before November 6, 2015. None was filed.

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[21] *Id.* at 8.

[22] Section 34.2 sets forth the Commission's method of issuance requirements. It states, in part, that utilities may issue securities by either a competitive bid or negotiated placement, provided that competitive bids are obtained from at least two prospective dealers, purchasers or underwriters or negotiated offers are obtained from at least three prospective dealers, purchasers or underwriters. *See* 18 C.F.R. § 34.2(a) (2015). These requirements do not apply to short-term debt securities.

[23] Application at 41.

[24] *Id.* at 42.

III. Analysis Under FPA Section 204

18. FPA section 204(a) provides that requests for authorization to issue securities or to assume any obligation or liability as guarantor, indorser, surety, or otherwise in respect of any security of another person shall be granted if the Commission finds that the issuance or assumption: (1) is for some lawful object, within the corporate purposes of the applicant and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility and which will not impair its ability to perform that service; and (2) is reasonably necessary or appropriate for such purposes.[25]

19. In reviewing an application under FPA section 204, the Commission utilizes an interest coverage ratio calculation to determine whether the issuances for which authorization are sought "will not impair [a public utility's] ability to perform" service as a public utility.[26] The Commission typically bases its finding that proposed issuances of securities will not impair an applicant's ability to perform service as a public utility in part upon the applicant's demonstration that it will have an interest coverage ratio that is 2.0 or higher.[27] In making this finding, the Commission reviews the financial statements submitted with an application filed under FPA section 204 and applicant's calculation of the interest coverage ratio, which is the sum of income before interest and income taxes divided by total interest expense.[28] The interest coverage ratio is a screen used primarily to provide the Commission with comfort that the financing authorized will not impair an applicant's ability to perform public utility service.[29] The Commission has stated, however, that whether or not an applicant meets the 2.0 interest coverage ratio screen

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[25] 16 U.S.C. § 824c(a) (2012).

[26] *See, e.g.*, *Old Dominion Elec. Coop.*, 145 FERC ¶ 61,132, at P 12 (2013); *Startrans IO, LLC*, 122 FERC ¶ 61,253, at P 18 (2008) (*Startrans*).

[27] *Startrans*, 122 FERC ¶ 61,253 at P 18 (stating that "this screen is a mid-way number in a range that has been used by lenders and borrowers and provides a buffer against unforeseen, adverse financial events that might impair Startrans IO's ability to perform as a public utility").

[28] *Westar*, 102 FERC ¶ 61,186 at P 15 & n.15.

[29] *Montana Alberta Tie Ltd.*, 128 FERC ¶ 61,217, at P 16 (2009) (citing *Startrans*, 122 FERC ¶ 61,253 at P 18). The Commission has also described the interest coverage ratio as a measure of a utility's ability to meet future debt and interest payments. *Westar*, 102 FERC ¶ 61,186 at P 15.

does not by itself determine whether the Commission will authorize or deny the application.[30] The Commission has approved FPA section 204 applications that have not met the 2.0 interest coverage ratio threshold.[31]

20. Mississippi Power has filed, as Exhibits C, D, and E to the Application, actual and *pro forma* financial statements for the 12-month period that ended June 30, 2015. Exhibit E of the Application shows that Mississippi Power has a *pro forma* interest coverage ratio that is below the Commission's 2.0 times interest coverage test. Mississippi Power states that its net loss for the 12-month period ended June 30, 2015 was primarily driven by charges related to the Kemper Facility. However, Mississippi Power argues that the proposed issuance of securities will not impair its ability to perform service as a public utility.[32]

21. Mississippi Power asserts that there are alternative bases upon which the Commission may conclude that Mississippi Power may reasonably service the debt for which it seeks authorization and the associated interest expense while continuing to provide service as a public utility.

22. First, Mississippi Power states that the Commission can rely on Southern's record of, and commitment to, providing equity infusions to Mississippi Power. Mississippi Power states that Southern has provided substantial equity contributions over the last three years, specifically $1.075 billion in 2013, $450 million in 2014, and $150 million in 2015.[33] Mississippi Power states that these equity contributions are expected to significantly offset the impact of any future pre-tax charges to income for any losses on the Kemper Facility. Mississippi Power also states that Southern has publicly affirmed its intention to maintain the financial integrity of its regulated utility subsidiaries, including maintaining a debt to capitalization ratio at Mississippi Power of approximately 50 percent net of any securitized debt obligations.[34] Additionally, Mississippi Power notes that Southern's Board of Directors authorized capital contributions to Mississippi

[30] *See, e.g.*, *Startrans*, 122 FERC ¶ 61,253 at n.7.

[31] *See, e.g.*, *NorthWestern Corp.*, 151 FERC ¶ 61,120 (2015); *ITC Great Plains, LLC*, 147 FERC ¶ 61,005 (2014); *Mississippi Power Co.*, 145 FERC ¶ 61,218 (2013).

[32] Application at 15.

[33] *Id.* at 13.

[34] These public pledges of support by Southern were provided during quarterly earnings calls and Southern's annual meeting of stockholders. *Id.* at 14-15.

Power in an amount not to exceed $300 million and loans to, and guarantees to or on behalf of, Mississippi Power in an amount not to exceed $1.25 billion.[35] Mississippi Power further notes that it has committed not to seek rate recovery for any costs related to the construction of the Kemper Facility that exceed the $2.88 billion cost cap and that Southern has publicly stated that it will provide the capital necessary to cover such costs.[36]

23. Second, Mississippi Power states that it has continued to generate operating cash flows sufficient to support its debt service obligations and to perform its service as a public utility, and projects that its operating cash flows will continue to be sufficient over the period covered by the Application.[37]

24. Third, Mississippi Power states that positive developments at the state level also support granting its requested authorizations. It states that, on August 13, 2015, the Mississippi Commission approved an interim rate request, subject to refund, which Mississippi Power states was designed to collect approximately $159 million annually.[38]

25. Fourth, Mississippi Power explains that the authorizations it seeks in the Application include additional headroom to provide the company with necessary flexibility. In particular, Mississippi Power states that the requested Short-Term borrowings include significant amounts beyond Mississippi Power's anticipated level of Short-Term Debt, but reflect contingent amounts in order to provide flexibility in the event that market conditions require Mississippi Power to use short-term borrowings as a bridge to the eventual long-term financing contemplated in its financial plan. Likewise, Mississippi Power states that the requested Long-Term Debt includes additional contingent amounts in order to provide flexibility in the event Mississippi Power does not incur securitized debt obligations, as authorized by the Mississippi legislature,[39] during the period covered by the Application. Mississippi Power further states that it contemplates using the securitization provided for in the legislation as a form of alternate

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[35] *Id.* at 14.

[36] *Id.*.

[37] *Id.* at 15-16.

[38] *Id.* at 16, 37-38. As discussed below, a subsequent settlement proceeding was approved by the Mississippi Commission on December 3, 2015.

[39] Mississippi Power explains that legislation providing for alternate financing through securitization was passed in the Mississippi legislature on February 26, 2013.

financing for prudently-incurred Kemper Facility costs not otherwise recovered in any Mississippi Commission rate proceeding. Mississippi Power anticipates that it will incur securitized debt obligations of up to approximately $1.0 billion as a means of alternative financing.[40]

26. Finally, Mississippi Power states that it has continued to maintain investment grade credit ratings for its senior unsecured debt. Specifically, as of October 16, 2015, Mississippi Power states that its credit ratings are as follows:

	Moody's[41]	S&P	Fitch
Commercial Paper[42]	P2	A2	F2
Senior Unsecured Debt	Baa2	BBB+	A-
Preferred Stock	Ba1	BBB-	BBB
Junior Unsecured Debt	Baa3	N/A	N/A

27. Subsequent to Mississippi Power's above-noted statements, Mississippi Power and the Mississippi Commission have continued to address the challenges presented by the cost of the Kemper Facility. Most recently, on December 3, 2015, the Mississippi Commission issued a final order approving permanent retail rates for the in-service assets at the Kemper Facility, at a rate level of approximately $126 million annually.[43] This rate

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[40] *Id.* at 18.

[41] We note that, on November 5, 2015, Moody's downgraded Mississippi Power's senior unsecured debt to Baa3 and its preferred stock to Ba2. *See* Moody's Investor Service, *Rating Action: Moody's Downgrades Mississippi Power to Baa3, Negative Outlook; Affirms Southern, Negative Outlook*, MOODY'S (Nov. 5, 2015), https://www.moodys.com/research/Moodys-downgrades-Mississippi-Power-to-Baa3-negative-outlook-affirms-Southern--PR_338057. While downgraded, Mississippi Power's senior unsecured debt is still investment grade.

[42] As noted by Mississippi Power, the Commercial Paper ratings are those of Southern Company Funding Corporation, which issues commercial paper and loans the proceeds to Mississippi Power. Application at 20.

[43] *Notice of Intent of Mississippi Power Company for a Change in Rates Supported by a Conventional Rate Filing or, in the Alternative, by a Rate Mitigation Plan in Connection with the Kemper County IGCC Project*, Docket No. 2015-UN-80, Final Order at 2 (Mississippi Public Service Commission Dec. 3, 2015) (Final Rate Order). Mississippi Power notes that this rate proposal was "designed to recover Mississippi Power's costs associated with the Kemper [Facility] assets that are commercially

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replaces the temporary rate request Mississippi Power describes and relies upon in the Application to support the requested authorization. Additionally, the Final Rate Order adopts a stipulation reached between the Public Utilities Staff of the Mississippi Commission (Mississippi Commission Staff) and Mississippi Power.[44] As explained in the Final Rate Order, the stipulation reached between the Mississippi Commission Staff and Mississippi Power agrees to, among other things, the following: "[(1) [Mississippi Power] acquiring an additional $125 million in common equity contributions from [Southern]; [(2)] deferral of prudence and recovery considerations related to costs over the certified [cost] estimate; and [(3)] the filing of a new rate case within 18 months."[45] Mississippi Power's Chief Executive Officer has endorsed the Final Rate Order, stating that "[it] ensures we can continue the progress we have made to bring the Kemper [F]acility fully online. With this decision, Mississippi Power can proceed with some certainty and stability while providing our customers with safe, clean and reliable electricity."[46]

28. We find that although Mississippi Power does not meet the Commission's threshold interest coverage ratio, Mississippi Power has cited other factors that provide the Commission with a sufficient alternative basis upon which to conclude that the company has reasonable prospects for being able to service the proposed new debt securities for which authorization is sought in the Application, and to continue to be able to provide service as a public utility. In this respect, we note each of the following: Southern's record of equity infusions; Southern's commitment to continue to make equity infusions; positive regulatory developments at the state level, including the Final Rate Order; alternative financing through securitization provided by the Mississippi legislature; and Mississippi Power's continued investment grade credit ratings for its senior unsecured debt.

29. For these reasons, we find that the proposed issuances of securities sought in this Application: (1) are for lawful objects within the corporate purposes of Mississippi Power and compatible with the public interest, are necessary or appropriate for or consistent

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operational and currently providing service to customers (the transmission facilities, combined cycle, natural gas pipeline and water pipeline) and other related costs . . . ." Application at 37.

[44] Final Rate Order at 3.

[45] *Id.*

[46] Press Release, Mississippi Power Company, *PSC Finalizes Permanent Rates for Kemper Cty. Energy Facility In-Service Assets* (Dec. 3, 2015).

with the proper performances by Mississippi Power of service as a public utility, and will not impair Mississippi Power's ability to perform that service; and (2) are reasonably necessary or appropriate for such purposes.

30. Accordingly, we authorize the following:

a. Mississippi Power is authorized to issue equity securities and Long-Term Debt securities in an aggregate amount not to exceed $3.2 billion.

b. The interest rate for the preferred stock, Long-Term Debt, and tax-exempt bonds may be issued at fixed or floating interest or dividend rates not to exceed, at the time of issuance, a rate that is consistent with similar securities of comparable credit quality and maturities issued by other companies, but in no event will: (1) the interest or dividend rate for securities issued at a fixed rate exceed 500 basis points over a U.S. Treasury security having a remaining term comparable to the term of such securities; or (2) the interest or dividend rate for securities issued at a floating rate exceed 500 basis points over the one-month, three-month, or six-month LIBOR as published in the Wall Street Journal.

c. Mississippi Power is authorized to issue Short-Term Debt in an aggregate amount not to exceed $1.5 billion outstanding at any one time.

d. The interest rate for Short-Term Debt will not exceed the greater of: (1) 500 basis points over the one-month, three-month, or six-month LIBOR; (2) 500 basis points over the Federal Funds Rate as published in the Wall Street Journal; and (3) 200 basis points over the applicable prime rate as published in the Wall Street Journal.

31. We grant the requested authorizations effective December 31, 2015 through December 31, 2017. We grant the requested waiver of the Commission's competitive bidding and negotiated placement requirements applicable to long-term debt. Consistent with the previous waiver granted to Mississippi Power, granting waiver will provide

Mississippi Power with flexibility to issue its Long-Term Debt on terms beneficial to Mississippi Power within the time schedules required to meet its specific needs.[47]

32. In *Westar*, the Commission announced four restrictions on all future public utility issuances of secured and unsecured debt.[48] First, public utilities seeking authorization to issue debt backed by a utility asset must use the proceeds of the debt for utility purposes. Second, if any utility assets that secure debt issuances are divested or "spun off," the debt must follow the asset and also be divested or spun off. Third, if any of the proceeds from unsecured debt are used for non-utility purposes, the debt must follow the non-utility assets. Specifically, if the non-utility assets are divested or spun off, then a proportionate share of the debt must follow the divested or spun off non-utility asset. Finally, if utility assets financed by unsecured debt are divested or spun off to another entity, then a proportionate share of the debt must also be divested or spun off. We will condition our authorization on Mississippi Power abiding by these restrictions.

<u>The Commission orders</u>:

(A) Mississippi Power is hereby authorized to issue equity securities and Long-Term Debt securities in an aggregate amount not to exceed $3.2 billion, at the interest rates stated in the body of this order.

(B) Mississippi Power is hereby authorized to issue Short-Term Debt in an aggregate amount not to exceed $1.5 billion outstanding at any one time, at the interest rates stated in the body of this order.

(C) The authorization is granted effective December 31, 2015 through December 31, 2017.

(D) The authorizations granted in this order are subject to the restrictions specified in the body of this order and the restrictions on secured and unsecured debt as outlined in *Westar.*

(E) Mississippi Power is granted waiver from compliance with the Commission's competitive bidding and negotiated placement requirements at 18 C.F.R. § 34.2(a) (2015).

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[47] *Mississippi Power*, 145 FERC ¶ 61,218 at P 29.

[48] *Westar*, 102 FERC ¶ 61,186 at P 21.

(F) Mississippi Power must file a Report of Securities Issued, under 18 C.F.R. §§ 34.9, 131.43, and 131.50 (2015), no later than 30 days after the sale or placement of long-term debt securities or the entry into guarantees or assumption of liabilities.

(G) The authorizations granted in Ordering Paragraphs (A) and (B) above are without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determination of cost or any other matter whatsoever now pending or which may come before this Commission.

(H) Nothing in this order shall be construed to imply any guarantee or obligation on the part of the United States with respect to any security to which this order relates.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.